

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6790**

**BILL NUMBER:** HB 1235

**NOTE PREPARED:** Mar 22, 2006

**BILL AMENDED:** Mar 14, 2006

**SUBJECT:** Isolation, Quarantine and Health Matters.

**FIRST AUTHOR:** Rep. Ruppel

**FIRST SPONSOR:** Sen. Miller

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the procedure for a public health authority to obtain or issue an order to restrict the movement of an individual in the least restrictive manner when there is evidence that the individual has been exposed to a dangerous communicable disease, and requires a public health authority to distribute certain information to the public.

The bill prohibits a public health authority from prohibiting a person from possessing a firearm unless the person is in a mass quarantine location, and prohibits the removal of a firearm from a person's home. It establishes certain procedures concerning immunizations.

The bill provides that a person, facility, or other location that meets certain criteria is immune from civil liability resulting from an act or omission in providing health care services during an event that is declared a disaster emergency, even if the services were provided before or after the disaster emergency declaration.

The bill makes it a Class A misdemeanor to violate the conditions of quarantine or isolation. It repeals superseded provisions concerning the isolation of certain individuals.

The bill also provides an exemption to food sanitation law for specified organizations under certain circumstances until January 1, 2008.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** *Isolation and Quarantine:* The bill establishes the procedure to be used

for a health officer to impose isolation or quarantine in the least restrictive manner on an individual that has been exposed to a dangerous communicable disease. Health officers currently have the authority to impose quarantine on individuals. This bill specifies the court procedure to be used if a public health officer believes that restriction of an individual's movement is necessary to avoid exposure of other individuals to a dangerous communicable disease.

The bill also establishes immunity for certain parties from civil liability resulting from an act or omission in providing health care services during an event that is declared a public health disaster emergency. This provision should have no fiscal impact.

*Food Establishment Sanitary Standards:* The role of the State Department of Health in enforcement of the sanitary standards is limited to inspections on state-owned properties such as the State Fairgrounds. The State Fair Board currently requires all participants involved in the sale of food items to comply with the sanitary requirements and to be inspected. The provisions of this bill would be expected to have limited impact on the level of resources used by the Department to enforce the sanitary requirements for food establishments.

*Appropriation Background:* The State Department of Health administrative appropriations were made from the dedicated Tobacco Master Settlement Agreement Fund for FY 2006 and FY 2007. Revenues from fees and penalties collected by the Department are deposited in the state General Fund, with augmentation allowed in amounts not to exceed the additional revenue from fees or penalties received after July 1, 2003.

**Explanation of State Revenues:** *Isolation and Quarantine:* The bill creates a new Class A misdemeanor of violating quarantine or isolation. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

*Food Establishment Sanitary Standards:* This bill provides that certain nonprofit groups and organizations that have filed for an exemption from the State Gross Retail Tax with the Department of State Revenue (DOR) will no longer have to comply with certain requirements in order to be exempt from the Department of Health sanitary requirements for food establishments. (Current law specifies that these groups are exempt if members of the organization prepare and label the food that will be sold to the final consumer and that the organization have sales of food for no more than 30 days in a calendar year.) The fiscal impact to the state would be limited, if any.

*Background Information on Food Establishment Sanitary Standards:* Monetary penalties provided under the State Department of Health rules promulgated at 410 IAC 7-23-1 include fines that have a maximum penalty of up to \$1,000 per day for noncompliance. Certain violations may also be considered to be Class B misdemeanors. Civil penalties collected are deposited in the state General Fund or local health department fund.

The State Department of Health reported that they do not track how many nonprofit organizations file waivers of the exemption with the Department. The Department does not charge a fee for organizations filing waivers of exemption.

**Explanation of Local Expenditures:** A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

*Food Establishment Sanitary Standards:* Local health officers are responsible for the local enforcement of the sanitary requirements for food establishments. Enforcement actions may be one of two options. The local health officer may (1) furnish evidence to the local prosecutor or (2) file a report with the State Department of Health. This bill would exempt certain nonprofit organizations that are currently required to comply with the requirements for sanitary conditions in food establishments, potentially relieving the local health officers from enforcement inspections of the State Department of Health rules. The State Department of Health reported that the number of organizations that must comply with the rules because they exceed the exemption parameters or that voluntarily file waivers of exemption with the local health officers is not known.

**Explanation of Local Revenues:** *Isolation and Quarantine:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

*Food Establishment Sanitary Standards:* Nonprofit organizations that are not exempt or that file waivers of exemption currently may be required to comply with local licensing requirements for retail food establishments that include an annual fee. The State Department of Health reported that some counties waive the fee for charitable organizations but that this is not a statewide practice. If a local ordinance requires a license fee, this bill would result in the loss of local license fee revenue. The amount of revenue affected by the provisions of this bill is not known.

**State Agencies Affected:** State Department of Health.

**Local Agencies Affected:** Trial courts, local law enforcement agencies, and local health officers.

**Information Sources:** State Department of Health.

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